

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7505

BILL NUMBER: HB 1543

NOTE PREPARED: Mar 28, 2011

BILL AMENDED: Mar 28, 2011

SUBJECT: Regulation of Residential Leases.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill imposes certain procedural requirements on the adoption by a political subdivision of a regulation of landlord and tenant relations, residential leases, or inspection of real property subject to a residential lease. The bill provides that such a regulation may not impose a fee for certain inspections. It provides that such a regulation may not authorize investigation or inspection of a rental unit without probable cause. It also provides that these requirements apply to a regulation adopted after December 31, 2010.

Effective Date: (Amended) January 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: If additional public hearings are conducted, political subdivision legislative body member reimbursement could increase. The impact of this provision on local expenditures would depend on action taken by legislative bodies.

In addition, a political subdivision wishing to adopt regulations would provide notice of a public hearing to rental unit owners, subject to the regulations, via first class mail. Depending on the number of owners notified, the impact would likely be a minimal increase to a political subdivision's annual mailing expenses, particularly if metered mailing is used. Stamped first class mail is currently \$0.44 per letter and \$0.28 per post card.

Explanation of Local Revenues: (Revised) *Summary:* The bill would eliminate fees for initial municipal rental inspections/re-inspections. The bill would allow inspection fees that existed after December 31, 2010, that do not conflict with the provisions of the bill.

Background: The City of Bloomington charges \$50 per building plus \$12 per each unit in the building. The Town of Munster's initial inspection fee is \$200 per dwelling or dwelling unit. Munster has re-inspection fees of \$40 for building code, \$40 for fire code, and \$20 for code enforcement. Munster re-inspection fees can total \$100 if all types of re-inspections are needed.

State Agencies Affected:

Local Agencies Affected: Political subdivisions that charge initial rental facility inspection fees.

Information Sources: U.S. Postage Service; City of Bloomington; Town of Munster Municipal Code.

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